



Purina's animated mouse tells a cat "You want the whole Kit 'N Kaboodle" in this spot from DDB Needham Worldwide, Chicago. Pet-food marketers are sending that message to cat owners in 1989.

Cats' new popularity makes marketers purr

By JULIE LIESSE ERICKSON and MARCY MAGIERA

Faced with a declining dog population, pet-food companies are out to make 1989 the Year of the Cat with a focus on premium products.

Category leader Ralston Purina Co. is heading the new-product assault on the \$2.1 billion market, but Carnation Co., Heinz Pet Products Co., Alpo Petfoods and newcomer Edward Lowe Industries aren't far behind.

Purina, on the heels of its November introductions of Kit 'N Kaboodle cat food and Whisker Lickin's treats, is readying another major new cat food and at least two relaunches for early 1989.

The marketer may overwhelm its competition with a flood of new products designed to fortify its leadership in the category.

Rolling national in January are Cat Chow Plus, a mirror image of Purina O.N.E. premium dog food, and Kitten Chow Dairy Formula, a line extension of its \$32 million Kitten Chow franchise.

Avrett, Free & Ginsberg, New

York, agency for Cat Chow and Kitten Chow, has been assigned both new Purina products.

Cat Chow Plus represents an attempt to lure sales from non-grocery outlets, such as pet shops and veterinarians' offices—where sales of premium-price cat foods like Iams, Hill's Science Diet and Purina's own ProPlan are booming.

Like O.N.E., Cat Chow Plus is chicken-based, in contrast to most grain-based supermarket cat foods. Purina will stress the brand's high quality, good taste and optimum digestibility in a multimedia campaign breaking in February.

Also in January, Purina will roll national with Kitten Chow Dairy Formula, which will get its own ad campaign.

The new product is a dry cat food coated with milk and cheese flavors. But the real hook is the packaging: To reinforce the brand's calcium content, Kitten Chow Dairy Formula will be sold in 12- and 18-ounce packages shaped like milk cartons.

Purina is racing to beat Carnation to market. Carnation's Fris-

kies PetCare division will complete a national rollout of its Friskies Kitten Formula, a calcium-fortified dry food in a milk carton package, by spring.

Carnation hopes its Kitten Formula will garner a larger share of the cat-food market for its 33-year-old Friskies brand by developing cat owners' loyalty to the brand early.

The company will start national advertising and promotions in the spring. Lintas New York is Friskies' agency.

The upcoming battle over calcium content is typical of the industry's new emphasis on products that encourage owners to pamper cats as they have dogs.

Another example of this is cat treats. Until this year, the market for cat treats was dominated quietly by Quaker Oats Co.'s Pounce and E-II Holdings' Bonkers. But Heinz launched Finicky Bits early in 1988, and Purina followed just last month with Whisker Lickin's.

Although still small, the cat-treat market represents great growth potential; sales grew (Continued on Page 6)

Ogilvy board wrestles with stock price

By GARY LEVIN

NEW YORK—Ogilvy Group, under pressure to improve its earnings, is getting concerned about unfriendly takeover rumors.

The board of directors held an unscheduled meeting last week where it may have discussed a possible share repurchase program or dividend increase.

Still gun-shy from an aborted takeover attempt last year, rumors also persisted about a potential buyout bid from WPP Group, though none of those reports could be confirmed and there's no evidence the company is "in play."

Ogilvy officials refused to disclose the substance of the Dec. 20 meeting or how many of its directors attended.

"We do not reveal our agenda," said Kenneth Roman, chairman-CEO. "If we had decided something major, we would have announced it."

But a securities analyst who asked to remain unidentified said Ogilvy executives have inquired in recent weeks about the market's probable reaction to a dividend boost or an additional share repurchase program.

"They're disturbed that their earnings could disappoint," the analyst said. These actions would "put away a couple of acorns for the next year and make their comparisons look better."

Analysts believe Ogilvy's lackluster earnings performance in recent years makes it the most attractive (Continued on Page 19)

Ad groups ponder response to Koop

By JANET MEYERS

WASHINGTON—Major ad, media and alcohol associations are treading carefully in their battle over the alcohol advertising restrictions favored by U.S. Surgeon General C. Everett Koop.

The proposals from Dr. Koop's workshop include inserting health warnings in alcohol ads, ending celebrity endorsements, eliminating tax deductibility of alcohol advertising and banning sponsorship of sporting events (AA, Dec. 19).

At a National Association of Broadcasters meeting Dec. 21, executives from ad, media and alcohol groups discussed how to handle Dr. Koop, who lambasted these associations for boycotting his Dec. 16 workshop on drunken driving.

"We don't know if any rational approach will be persuasive," said David Blair, government affairs representative for the National Beer Wholesalers Association, which had sued to force the workshop to be open to the public. "The only avenue available to us is to criticize the recommendations."

Most associations indicate they won't seek private meetings with Dr. Koop but will instead provide him with an artillery of facts and studies that show no links between advertising and alcohol abuse.

"Can we change his mind?" asked Wallace Snyder, senior VP for the American Advertising Federation. "We don't know."

The groups have until Jan. 31 to file comments with the surgeon general. (Continued on Page 17)

Highlights

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4 GSD&M takes on the big guys

GSD&M's win of the \$10 million Chili's restaurant account proves that an agency's location isn't everything—at least when it comes to winning major accounts.

16 Whirlpool spins innovative tale

The appliance marketer is positioning itself as a leader in innovation in a new effort aimed at spotlighting its brand and attacking the perception that all major appliance brands are alike.

19 Rumblings from Down Under

Mojo MDA Group sends a message to the Australian market that its talks with international agencies could result in reorganization.

21 A clear voice above the clutter

GM's corporate ads get through to consumers amid a cacophony of messages, landing the carmaker its first appearance this year on adWatch.



Univision to debut "Ahora" magazine in June. P. 18.

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Yellow Pages rivals dwindle

By JUDITH GRAHAM

A major retrenchment under way in the Yellow Pages business could mean higher prices for advertisers next year.

Yellow Pages advertising rates could start rising by as much as 9% to 12%, agency experts say, compared with average annual rate increases of 4% to 5% between 1985 and 1988.

"With reduced competition in several major markets, there won't be as much control over rates," said Linda Noyes Singer, director of the Yellow Pages division of Della Femina, McNamee/WCRS, Boston.

"There is a distinct possibility that rates will rise again from the 4%-to-5% levels of the last few years to the 10%-plus level," said Robert D. Hickson, chairman of Ketchum Yellow Pages, New York, an agency subsidiary of Ketchum

Advertising.

The most dramatic sign of retrenchment is the recent exit of Southwestern Bell Publications' Mast Advertising & Publishing subsidiary from New York, Chicago and St. Petersburg, Fla.

"I'm very sorry to see them go," said Lee Matthews, president of Bernard Hodes Telephone Marketing Services, the Yellow Pages agency subsidiary of Omnicom Group. "Competition is healthy for us and our clients. This gives incumbent directories too much power to do what they will to advertisers and consumers."

Other signs that publishers' competitive strategies are failing abound.

Just a month before Southwestern Bell's withdrawal, NYNEX Information Resources Co. announced it would stop publishing directories (Continued on Page 16)

POWER CHARTS

The most important data generated in 1988 on media, agency and advertiser companies illuminates the forces that are reshaping marketing and advertising

Top 50 U.S. media cos.

Rank	Media company	Media '87-'86 revenues % chg
1	Capital Cities/ABC	\$4,256 8.0
2	Time Inc.	3,239 4.5
3	General Electric Co.	3,165 6.7
4	Gannett Co.	2,991 9.7
5	CBS Inc.	2,762 (1.6)
6	Times Mirror Co.	2,549 11.1
7	Advance Publications	2,397 9.0
8	Dun & Bradstreet Corp.	2,056 6.4
9	Knight-Ridder Newspapers	2,049 9.0
10	Hearst Corp.	1,925 25.9
11	Tribune Co.	1,886 7.0
12	New York Times Co.	1,690 8.0
13	Cox Enterprises	1,464 5.7
14	News Corp.	1,250 10.3
15	Washington Post Co.	1,240 6.7
16	Dow Jones & Co.	1,240 16.0
17	TCI	1,225 89.7
18	McGraw-Hill	1,187 9.0
19	Scripps Howard	1,129 13.4
20	Viacom International	939 9.8
21	Triangle Publications*	730 1.4
22	Media News Group	650 44.4
23	SCI Holdings	612 (5.7)
24	Ingersoll Publications	609 64.6
25	Westinghouse Electric Corp.	601 (28.4)
26	Home Shopping Network	582 263.4
27	Harte-Hanks Communications	544 (5.6)
28	International Thomson Holdings	528 27.2
29	Reader's Digest Assn.	522 7.4
30	Advo-Systems	521 13.5
31	Affiliated Publications	487 22.0
32	Opubco	466 (4.0)
33	Meredith Corp.	449 15.0
34	Thomson Newspapers	449 10.2
35	Continental Cablevision	442 12.8
36	Turner Broadcasting System	436 15.0
37	Central Newspapers	427 4.9
38	Warner Communications	425 18.1
39	Media General	423 11.6
40	Multimedia Inc.	411 10.5
41	Valassis Inserts	400 23.1
42	Freedom Newspapers	392 9.8
43	A.H. Belo Corp.	382 (3.9)
44	Pulitzer Publishing Co.	367 11.6
45	Morris Communications	359 2.9
46	Chronicle Publishing Co.	357 29.8
47	Copley Newspapers	353 7.1
48	Cahners Publishing Co.	340 27.3
49	Gillett Holdings	340 1.8
50	McClatchy Newspapers	332 6.8

Notes: AA estimates are dollars in millions for media property revenues only. * Bought by News Corp. Source: AA's 100 Leading Media Cos., June 27, 1988.

Top 50 U.S. agencies

Rank	Agency	Gross '87-'86 income % chg
1	Young & Rubicam	\$736 17.0
2	Saatchi & Saatchi Advertising WW	694 13.7
3	Backer Spielvogel Bates WW	601 16.1
4	BBDO Worldwide	537 20.7
5	Ogilvy & Mather Worldwide	529 15.0
6	McCann-Erickson Worldwide	513 19.8
7	J. Walter Thompson Co.	483 2.6
8	Lintas:Worldwide	418 28.7
9	D'Arcy Masius Benton & Bowles	371 11.3
10	Leo Burnett Co.	369 21.0
11	Grey Advertising	369 19.4
12	DDB Needham Worldwide	358 (4.4)
13	Foots, Cone & Belding Communications	345 6.7
14	HDM	204 30.2
15	Bozell, Jacobs, Kenyon & Eckhardt	185 8.7
16	N W Ayer	166 4.4
17	Wells, Rich, Greene	114 14.3
18	Scali, McCabe, Sloves	93 20.1
19	Ketchum Advertising	88 16.9
20	Ogilvy & Mather Direct Response	84 23.5
21	TBWA Advertising	75 13.6
22	Ross Roy Group	71 14.3
23	Campbell-Mithun*	64 11.9
24	Wunderman Worldwide	62 26.4
25	Chiat/Day	53 11.4
26	Tracy-Locke	47 2.3
27	Lowe Marschalk	46 (7.0)
28	Doremus & Co.	45 5.4
29	Hill, Holliday, Connors, Cosmopolis	43 10.3
30	McCaffrey & McCall	42 35.8
31	Laurence, Charles, Free & Lawson	42 5.3
32	HBM/Creamer	41 2.0
33	W.B. Doner & Co.	41 11.7
34	Jordan, McGrath, Case & Taylor	38 17.3
35	AC&R Advertising	37 0.3
36	Ally & Gargano	37 1.5
37	Admarketing	36 9.1
38	William Esty Co.*	36 (52.0)
39	Della Femina, McNamee/WCRS	34 13.1
40	Earle Palmer Brown Cos.	33 94.0
41	Lord, Geller, Federico, Einstein	32 8.3
42	Medicus Intercon International	32 28.9
43	Tatham-Laird & Kudner	29 1.5
44	Bernard Hodes Advertising Group	28 35.0
45	Levine, Huntley, Schmidt & Beaver	27 43.5
46	Direct Marketing Group	26 8.0
47	Ammirati & Puris	26 13.3
48	Sudler & Hennessey	24 (6.5)
49	Keller-Crescent Co.	24 15.7
50	Nationwide Advertising Service	24 53.6

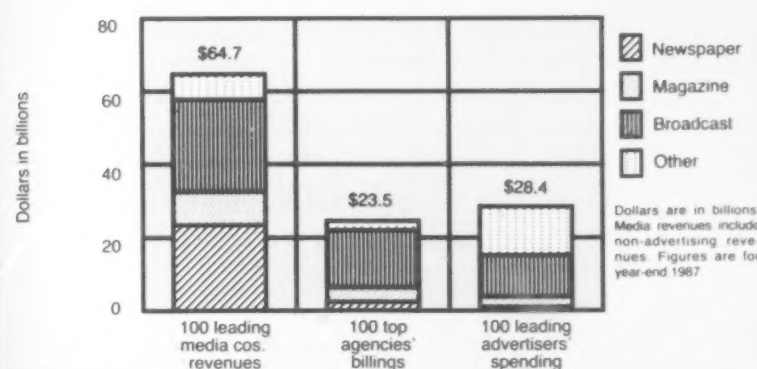
Notes: Dollars are in millions. Figures are AA estimates. * Now Campbell-Mithun-Esty. Source: AA's U.S. Advertising Agency Profiles, March 30, 1988.

Top 50 U.S. advertisers

Rank	Advertiser	Ad '87-'86 spending % chg
1	Philip Morris Cos.	\$1,558 7.4
2	Procter & Gamble Co.	1,387 (7.6)
3	General Motors Corp.	1,025 22.2
4	Sears, Roebuck & Co.	887 (19.8)
5	RJR Nabisco	840 (6.1)
6	PepsiCo Inc.	704 9.7
7	Eastman Kodak Co.	658 7.9
8	McDonald's Corp.	649 9.7
9	Ford Motor Co.	640 (1.7)
10	Anheuser-Busch Cos.	635 (1.4)
11	K mart Corp.	632 10.1
12	Unilever NV/PLC	581 6.9
13	General Mills	572 4.0
14	Chrysler Corp.	569 12.9
15	Warner-Lambert Co.	558 0.9
16	AT&T	531 1.6
17	Kellogg Co.	525 41.3
18	J.C. Penney Co.	513 3.5
19	Pillbury Co.	474 (4.3)
20	Johnson & Johnson	459 11.8
21	Ralston Purina Co.	437 (8.7)
22	Kraft Inc.	401 (14.4)
23	American Home Products	390 (0.5)
24	Mars Inc.	379 19.3
25	Coca-Cola Co.	365 (1.5)
26	Bristol-Myers Co.	359 7.6
27	Quaker Oats Co.	344 12.5
28	Nestle SA	341 9.6
29	U.S. Government	311 1.4
30	Colgate-Palmolive Co.	280 7.9
31	Sara Lee Corp.	278 8.4
32	General Electric Co.	273 (5.3)
33	Toyota Motor Corp.	258 (0.8)
34	American Cyanamid	250 9.2
35	Schering-Plough Corp.	250 17.8
36	Walt Disney Co.	250 52.4
37	Honda Motor Co.	245 19.5
38	H.J. Heinz Co.	245 12.2
39	IBM Corp.	241 (18.5)
40	Grand Metropolitan PLC	232 (0.2)
41	Campbell Soup Co.	231 10.6
42	Tandy Corp.	225 2.4
43	BCI Holdings Corp.	223 (23.9)
44	American Express Co.	212 5.1
45	Time Inc.	197 3.4
46	Pfizer Inc.	182 6.0
47	Nissan Motor Co.	181 0.8
48	IC Industries*	169 4.7
49	Volkswagen AG	167 (5.2)
50	Mobil Corp.	166 (0.9)

Notes: Dollars are in millions. Figures are AA estimates. * Now Whitman Corp. Source: AA's 100 Leading National Advertisers, Sept. 28, 1988.

Revenues, billings & ad spending



The story behind the Power

One of ADVERTISING AGE's editors wanted to call this four-page data section "Chart Attack."

It may be catchy, but was voted down as being a little too glib for the subject. Meanwhile, AA's number crunchers shifted into overdrive to create "Power Charts." It is almost as catchy and tells the story behind the power companies in media, agencies and advertisers.

The personnel list from the marketing department of just one of these companies filled several pages of our "100 Leading National Advertisers" issue. These companies represent the power to sell anything and the resources to spend more than \$100 billion doing it, according to Robert J. Coen, senior VP,

director-forecasting, McCann-Erickson.

They also represent the power to communicate. In 1988, AA's 500-agency directory represented billings of \$28.8 billion. And the 100 Leading Media Companies realized gross media revenues of nearly \$65 billion.

This year we also charted the power markets. They first appeared in the media issue and are reprinted on Page 13, ranked by media revenues per TV household.

"Power Charts" culls information on the leaders from the most important parts of marketing. It may be a lot of numbers, but we hope you won't feel like you're being attacked.

—Kevin Brown

MEDIA POWER

Top 10 newspaper companies

Rank	Company	Newspaper revenues '87-'86		Top newspaper by daily circulation	
		1987	% chg	Newspaper	3/31/88 '88-'87 circulation % chg
1	Gannett Co.	\$2,432	12.3	USA Today	1,345,721 2.6
2	Times Mirror Co.	1,996	15.6	Los Angeles Times	1,132,920 1.3
3	Knight-Ridder	1,845	9.3	Detroit Free Press	647,763 1.3
4	Advance Publications	1,601	8.9	Newark Star-Ledger	460,117 (0.2)
5	Tribune Co.	1,476	8.2	New York Daily News	1,283,302 0.4
6	New York Times Co.	1,364	8.9	New York Times	1,078,443 2.0
7	Dow Jones & Co.	949	4.5	Wall Street Journal	2,025,176 (0.1)
8	Scripps Howard	818	8.9	Rocky Mountain News	356,891 3.2
9	Cox Enterprises	711	4.1	Atlanta Constitution	272,499 2.9
10	Hearst Corp.	650	66.7	Houston Chronicle	411,701 1.4

Notes: Dollars are in millions. Newspaper revenues are AA estimates. Source: AA's 100 Leading Media Companies, June 27, 1988. Daily circulation from Audit Bureau of Circulations Fax Fax Report, March 31, 1988.

Top 10 magazine companies

Rank	Company	Magazine revenues '87-'86		Top magazine by gross ad revenues	
		1987	% chg	Magazine	1987 ad '87-'86 revenues % chg
1	Time Inc.	\$1,621	2.9	Time	\$329 (4.6)
2	Hearst Corp.	873	11.9	Good Housekeeping	132 (8.6)
3	Triangle Publications	653	0.8	TV Guide	331 4.1
4	Advance Publications	593	9.0	Vogue	80 6.6
5	Reader's Digest	522	7.4	Reader's Digest	107 (2.0)
6	McGraw-Hill	377	18.6	Business Week	217 30.5
7	Capital Cities/ABC	375	0.0	W	28 13.3
8	Cahners Publishing Co.	340	27.3	Restaurants & Institutions	40 5.3
9	News Corp. Ltd.	333	14.0	New York	43 5.0
10	Meredith Corp.	329	22.8	Better Homes & Gardens	142 9.5

Notes: Dollars are in millions. Source: Magazine revenues are AA estimates. AA's 100 Leading Media Companies, June 27, 1988. Gross revenues are from Publishers Information Bureau or magazine company sources.

Top 10 broadcast companies

Rank	Company	Broadcast revenues '87-'86		Top TV station by avg. h'holds reached	
		1987	% chg	Station, affiliate	Average households rating
1	Capital Cities/ABC	\$3,213	8.2	WABC, ABC, New York	653,420 9.5
2	General Electric Co.	3,165	6.7	WNBC, NBC, New York	481,467 7.0
3	CBS Inc.	2,762	(1.6)	WCBS, CBS, New York	440,198 6.4
4	Westinghouse Electric Corp.	601	7.5	KYW, NBC, Philadelphia	185,712 7.2
5	News Corp.	577	22.0	WNYW, FOX, New York	330,149 4.8
6	Tribune Co.	410	2.8	WPIX, IND, New York	226,977 3.3
7	Gannett Co.	357	1.7	WUSA, CBS, Washington	141,823 8.8
8	Gillett Holdings	340	1.8	WJBK, CBS, Detroit	134,395 8.0
9	Cox Enterprises	328	5.8	WSB, ABC, Atlanta	132,628 10.5
10	Opubco	285	(6.6)	WTVT, CBS, Tampa	102,054 8.3

Notes: Dollars are in millions. Source: AA's 100 Leading Media Companies, June 27, 1988. Broadcast revenues are AA estimates and include radio. Average households reached are based on A.C. Nielsen, Feb. 1988 ratings and number of households in the top 110 markets only.

Top 10 cable companies

Rank	Company	Cable revenues '87-'86		Multiple System Operation	
		1987	% chg	MSO	Basic subscribers Date
1	Time Inc.	\$1,618	6.2	ATC Corp.	3,700,000 1/88
2	TCI	1,225	89.6	Tele-Communications	6,244,666 1/88
3	Viacom International	806	8.5	Viacom Cablevision	1,058,808 1/88
4	Home Shopping Network	582	263.8		
5	Continental Cablevision	442	12.8	Continental Cablevision	2,112,000 1/88
6	Cox Enterprises	425	8.4	Cox Cable Communications	1,438,057 1/88
7	SCI Holdings	420	0.7	Storer Cable Comm.	1,459,000 2/88
8	Warner Communications	387	19.1	Warner Cable	1,410,190 2/88
9	Cablevision Systems Corp.	300	98.7	Cablevision Systems Corp.	1,021,426 2/88
10	Comcast Corp.	287	173.3	Comcast Cable	1,342,500 2/88

Notes: Dollars are in millions. Home Shopping Network revenues include some broadcast property revenues. Source: AA's 100 Leading Media Companies, June 27, 1988. Cable revenues are AA estimates. Total basic and pay service subscribers from AA survey and Cablevision TV Facts, Cablevision Advertising Bureau.

Ten hottest media markets by gross media revenues per household in 1987

Rank	Market	Revenues per household	Gross media revenues	Households
1	Miami	\$597.93	\$734	1,227,400
2	San Diego	585.32	483	825,700
3	Dallas-Ft. Worth	578.92	960	1,058,700
4	Washington	559.54	916	1,637,500
5	Los Angeles	556.89	2,681	4,777,600
6	Houston	544.86	810	1,486,900
7	San Francisco	541.89	1,196	2,207,900
8	Atlanta	540.91	714	1,320,200
9	Denver	527.53	522	989,800
10	Boston	526.44	1,093	2,076,800

Notes: Total gross revenues dollars per market are in millions. Gross revenues per household by market are AA estimates.

Sources: AA's 100 Leading Media Companies, June 27, 1988.

Total TV households supplied by A.C. Nielsen Co.

Total gross media revenues by market for newspaper, radio and some TV were supplied by Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition.

Total gross media revenues by market for magazine and outdoor were supplied by Leading National Advertisers from Publishers Information Bureau, Institute of Outdoor Advertisers and Outdoor Advertising Association of America.

Some TV revenue estimates were supplied by National Association of Broadcasters.

Hottest radio stations of 100 leading media cos.

Rank	Station, market	Parent	1987 revenues
1	WGN-AM, Chicago	Tribune Co.	\$31.0
2	KIIS-AM/FM, Los Angeles	Gannett	29.0
3	KABC-FM, Los Angeles	Capital Cities/ABC	24.0
4	WINS-AM, New York	Westinghouse	23.0
5	KGO, San Francisco	Capital Cities/ABC	20.0
6	WJR-FM, Detroit	Capital Cities/ABC	18.6
7	KMOX-AM, St. Louis	CBS Inc.	18.4
8	KOST-FM, Los Angeles	Cox Enterprises	18.0
8	KIRO-FM, Seattle	Bonneville Int'l	18.0
8	KRTH-AM/FM, Los Angeles	RKO General	18.0
8	WOR-AM, New York	RKO General	18.0
9	WWPR-FM, New York	Capital Cities/ABC	17.7
9	WLTW-FM, New York	Viacom	17.7
10	WCBS-AM/FM, New York	CBS Inc.	16.3
11	KNX-AM/FM, Los Angeles	CBS Inc.	15.4
12	WMAL-FM, Washington	Capital Cities/ABC	14
12	WGCI-AM/FM, Chicago	Gannett	14

Notes: Dollars are in millions. Stations listed are only those owned by the 100 Leading Media Companies. Source: AA's 100 Leading Media Companies, June 27, 1988. Data from Jim Duncan Jr., Jim Duncan's Radio Market Guide, 1988 edition.

Revenues by media for 100 leading media cos.

Media	Dollars in millions		
	1987	1986	% chg
Media revenues	\$64.7	\$58.1	11.5
Total revenues	138.7	123.9	11.9
Net income	8.5	8.3	3.3
Newspaper revenues	23.2	20.8	11.8
Magazine revenues	9.3	8.5	8.6
Broadcast (radio & TV) revenues	16.1	15.4	4.6
Cable TV revenues	9.2	7.4	24.3
Outdoor & other media revenues	6.9	6.0	13.6

Notes: Media revenues of the 47 private companies among the 100 leaders are AA estimates. Total revenues includes all companies' media revenues and public companies' non-media revenues. Net income is from the 53 public companies only.

Notes to media, agency info

Media charts are reprinted from AA's 100 Leading Media Companies, June 27, 1988. Agency charts are reprinted from U.S. Advertising Agency Profiles, March 30, 1988, and Foreign Agency Income Report, May 9, 1988.

All information is compiled through surveys, public documents and AA bureau reports, unless otherwise noted.

Top 6 agency mega-groups

Rank	Group	Worldwide gross income			Billings '87-'86	
		1987	1986	% chg	1987	% chg
1	Saatchi & Saatchi PLC	\$1,684.6	\$1,473.2	14.3	\$11,357.0	13.3
2	Interpublic Group of Cos.	992.9	822.4	20.7	6,622.7	19.3
3	Omnicom Group	895.5	820.1	9.2	6,267.6	7.8
4	WPP Group PLC	892.5	NA	NA	5,952.9	NA
5	Ogilvy Group	723.9	548.7	31.9	5,041.2	32.6
6	WCRS/Bolier	230.2	184.0	25.1	1,633.7	29.7

Notes: Dollars are in millions. Source: AA's U.S. Advertising Agency Profiles, March 30, 1988

Top 10 U.S. brand name agencies

Rank	Brand agency	Agency group	U.S. brand billings	
			1987	1986 % chg
1	Saatchi & Saatchi Advertising	Saatchi & Saatchi PLC	\$1,679.0	\$1,448.1 15.9
2	Leo Burnett Co.		1,550.0	1,361.6 13.9
3	J. Walter Thompson Co.	WPP Group PLC	1,544.3	1,536.4 0.5
4	Foote, Cone & Belding		1,369.7	1,215.0 12.7
5	DDB Needham Worldwide	Omnicom Group	1,245.1	1,230.5 1.2
6	Young & Rubicam		1,227.3	1,073.4 14.3
7	Grey Advertising		1,164.3	1,072.0 8.6
8	Lintas:Worldwide	Interpublic Group of Cos.	1,107.9	1,004.8 10.3
9	BBDO Worldwide	Omnicom Group	1,107.8	985.2 12.4
10	Ogilvy & Mather Worldwide	Ogilvy Group	1,098.2	1,081.0 1.6

Notes: Dollars are in millions. Figures are AA estimates. An agency brand is the core unit of a multi-agency company. The brand ranking is based on billings credited to that unit, but does not include billings of the company's other subsidiaries or from the core unit's specialty operations when they operate independently from that unit. See table below for brand name agency composition. 1986 figures are historical. Source: AA's U.S. Advertising Agency Profiles, March 30, 1988

Agency	Included	Excluded
Saatchi & Saatchi	S&S DFS, S&S DFS Compton	Cochrane Chase, Klemmer, McCaffrey & McCall, Rumrill-Hoyt
J. Walter Thompson Co.	JWT name 1 shops	Brouillard Communications
Foote, Cone & Belding	FCB name 1 shops	Albert Frank, Guenther Law, Lewis Gilman & Kynett, Vicom
DDB Needham Worldwide	DDB Needham named shops	Bernard Hodes Advertising Group, Fletcher Mayo Associates, Kallir
		Philips Ross, Kresser Craig D'IK, Miko Valenti Park & Gabriel, Rapp & Collins USA
Young & Rubicam	Y&R named shops	Burson-Marsteller, Cato Johnson-Y&R, Chapman-Stone & Adler, Creswell, Munzell, Fultz & Zirbel, HDM (1/3 of billings), Hutchins/Y&R, Sive Associates, Sudler & Hennessey, Wunderman Worldwide
Grey Advertising	Grey named shops	Beaumont-Bennett, Grey Communications Inc., LBS Communications, Grey Direct
BBDO Worldwide	BBDO Chicago, BBDO Inc., BBDO Minneapolis, BBDO West, BDA BBDO	Baxter Gunan & Mazzei, Blair Advertising, Caravetta Allen Kimbrough, Cargill Wilson, Acree Tracy-Locke, Doremus & Co., Frank J. Corbett Inc., Franklin Speer Inc., Ingalls, Quinn & Johnson, Lavey Wolf-Swift, MARCOA DR Group, RC Communications, Tracy-Locke, Waring & LaRosa
Ogilvy & Mather Worldwide	O&M named shops	O&M Direct Response, O&M Promotions, O&M Public Relations Group, Graphic Services, Speech Dynamics, Rolf Werner Rosenthal

Top 10 by newspaper billings

Rank	Agency	Newspaper billings (\$ in millions)		
		1987	1986	% chg
1	J. Walter Thompson Co.	\$171.3	\$178.7	(4.1)
2	Nationwide Advertising Service	133.6	86.7	54.1
3	Bernard Hodes Advertising Group	123.8	97.6	26.8
4	Bozell, Jacobs, Kenyon & Eckhardt	119.2	104.2	14.4
5	Grey Advertising	110.2	90.8	13.8
6	Young & Rubicam	100.6	82.0	22.7
7	Wells, Rich, Greene	99.5	73.2	35.9
8	Doremus & Co.	90.1	98.3	(8.3)
9	Saatchi & Saatchi Advertising	84.0	NA	NA
10	D'Arcy Masius Benton & Bowles	78.6	57.5	36.7

Top 10 by magazine billings

Rank	Agency	Magazine billings (\$ in millions)		
		1987	1986	% chg
1	Saatchi & Saatchi Advertising	\$251.9	NA	NA
2	Leo Burnett Co.	200.9	\$165.9	21.1
3	Ogilvy & Mather Worldwide	196.0	193.0	1.6
4	Bozell, Jacobs, Kenyon & Eckhardt	186.8	165.1	13.1
5	J. Walter Thompson Co.	180.0	190.9	(5.7)
6	Young & Rubicam	174.4	178.7	(2.4)
7	BBDO Worldwide	155.2	165.0	(5.9)
8	Grey Advertising	155.1	187.2	(17.1)
9	DDB Needham Worldwide	143.7	199.2	(27.9)
10	NW Ayer	142.3	139.9	1.7

Top 10 by network TV billings

Rank	Agency	Network TV billings (\$ in millions)		
		1987	1986	% chg
1	Leo Burnett Co.	\$675.4	\$591.9	14.1
2	Saatchi & Saatchi Advertising	638.0	NA	NA
3	Young & Rubicam	636.0	657.0	(3.2)
4	Backer Spielvogel Bates WW	598.6	NA	NA
5	J. Walter Thompson Co.	509.2	618.0	(17.6)
6	Grey Advertising	507.2	534.7	(5.1)
7	D'Arcy Masius Benton & Bowles	461.0	443.6	3.9
8	Ogilvy & Mather Worldwide	391.0	376.0	4.0
9	BBDO Worldwide	342.1	406.1	(15.8)
10	McCann-Erickson Worldwide	320.0	NA	NA

Top 10 by spot TV billings

Rank	Agency	Spot TV billings (\$ in millions)		
		1987	1986	% chg
1	Saatchi & Saatchi Advertising	\$520.5	NA	NA
2	Young & Rubicam	356.0	\$304.9	16.8
3	J. Walter Thompson Co.	353.4	358.2	(1.3)
4	Grey Advertising	330.4	269.3	22.7
5	D'Arcy Masius Benton & Bowles	280.1	236.0	18.7
6	Backer Spielvogel Bates WW	224.5	NA	NA
7	DDB Needham Worldwide	211.6	241.2	(12.3)
8	Leo Burnett Co.	210.2	163.9	28.2
9	BBDO Worldwide	209.8	210.5	(0.3)
10	McCann-Erickson Worldwide	190.0	NA	NA

Top 10 direct response billers

Rank	Agency	Direct response billings (\$ in millions)		
		1987	1986	% chg
1	Ogilvy & Mather Direct Response	\$260.0	\$240.0	8.3
2	Wunderman Worldwide	259.9	224.5	15.8
3	Foote, Cone & Belding	213.1	71.1	199.7
4	Direct Marketing Group	148.3	134.5	10.3
5	Telephone Marketing Programs	144.5	118.0	22.5
6	MARCOA DR Group	107.7	90.7	18.7
7	Rapp & Collins USA	99.4	81.8	21.5
8	Grey Advertising	92.5	55.1	67.9
9	Koss & Draft Advertising	85.3	81.0	5.3
10	Barry Blau & Partners	64.4	51.4	25.3

U.S. billings by media for AA's 500 agencies

Media	Top 500 agencies' billings			Top 100	
	1987	1986	% chg	1987	'87-'86 % chg
Network TV	\$8,250.0	\$8,312.0	(0.7)	\$7,948.0	(0.7)
Spot TV	6,861.0	6,416.0	6.9	5,455.0	7.4
Magazine	4,061.0	3,998.0	1.6	3,367.0	0.8
Newspaper	2,956.0	2,707.0	9.2	2,064.0	13.0
Direct response	2,378.0	2,101.0	13.2	1,620.0	15.5
Radio	2,013.0	1,928.0	4.4	1,492.0	6.3
Outdoor	557.0	589.0	(5.4)	508.0	(5.1)
Business papers	472.0	474.0	(0.4)	223.0	1.8
Cable TV	425.0	404.0	5.1	355.0	5.2
Medical journal	409.0	365.0	12.0	206.0	14.8
Point of sale	179.0	174.0	3.0	109.0	1.9
Supplement	101.0	104.0	(3.6)	77.0	(10.8)
Farm papers	83.0	88.0	(6.1)	42.0	(3.5)
Transit ads	29.0	32.0	(9.9)	20.0	(9.2)
Special events	27.0	25.0	5.7	13.0	11.7
TOTAL	28,801.0	27,718.0	3.9	23,497.0	4.3

Notes: Dollars are in millions. Source: AA's U.S. Advertising Agency Profiles, March 30, 1988

Top 10 agencies worldwide in 1987

Rank	Agency	Gross income		Rank	Agency	Gross income	
		1987	1986			1987	1986
1	Dentsu Inc.	\$885	\$6,780	6	Ogilvy & Mather Worldwide	\$529	\$3,660
2	Young & Rubicam	736	4,910	7	McCann-Erickson Worldwide	513	3,420
3	Saatchi & Saatchi Advertising WW	694	4,610	8	J. Walter Thompson Co.	483	3,220
4	Backer Spielvogel Bates WW	601	4,070	9	Lintas:Worldwide	418	2,790
5	BBDO Worldwide	537	3,660	10	Hakuhodo International	383	2,900

Notes: Dollars are in millions. Source: AA's Foreign Agency Income Report, May 9, 1988

ADVERTISER POWER

Total ad spending by category

Category	Category total		
	1987	1986	% chg
Automotive	\$4,414	\$3,754	17.6
Food	3,418	3,307	3.4
Business, consumer svcs	2,243	2,149	4.4
Retail	1,930	1,732	11.4
Entertainment	1,879	1,686	11.4
Travel, hotels	1,811	1,780	1.7
Toiletries & cosmetics	1,753	1,671	4.9
Beer, wine & liquor	1,341	1,414	(5.1)
Drugs & remedies	1,324	1,245	6.3
Snacks, soft drinks	1,076	1,053	2.1
Mail order	870	782	11.2
Miscellaneous	805	913	(11.9)
Apparel, footwear	732	686	6.7
Publishing & media	730	662	10.2
Insurance & real estate	721	659	9.5
Cigarettes, tobacco	621	729	(14.8)
Household supplies	580	579	0.2
Computers, office equip	564	614	(8.2)
Soaps, cleansers	525	633	(17.0)
Sporting goods, toys	489	477	2.4
Building materials	373	351	6.2
Jewelry, cameras	370	355	4.2
Electronic entertainment	286	280	2.1
Gasoline, lubricants	277	246	12.3
Household furnishings	269	236	13.8
Pet products, food	264	272	(3.1)
Horticulture & farming	219	204	7.4
Industrial materials	105	111	(5.3)
Business propositions	99	117	(15.7)
Freight	78	116	(32.7)
Aviation equipment	14	12	14.6

Notes: Dollars are in millions. Source: AA's 100 Leading National Advertisers, Sept. 28, 1988.

Ad spending by media for 100 leading advertisers

Media	Total U.S. ad spending		
	1987	1986	% chg
Network TV	\$6,668.0	\$6,403.0	4.2
Spot TV	3,355.0	3,226.0	4.0
Magazine	2,377.0	2,297.0	3.5
Newspaper	1,073.0	933.0	15.0
Spot radio	551.0	528.0	4.2
Network radio	384.0	337.0	14.0
Network cable TV	333.0	317.0	5.1
Outdoor	263.0	282.0	(7.0)
Business publication	192.0	180.0	6.8
Newspaper supplement	125.0	139.0	(10.2)
Farm publication	38.0	35.0	7.9
Subtotal measured media	15,358.0	14,676.0	4.6
Unmeasured advertising	13,036.0	12,597.0	3.5
TOTAL	28,394.0	27,273.0	4.1

Notes: Dollars are in millions. Source: AA's 100 Leading National Advertisers, Sept. 28, 1988.

Notes to advertiser charts

Charts on this page are reprinted from AA's 100 Leading National Advertisers, Sept. 28, 1988.

Ad spending figures in the 100 LNA issue come from several sources. BAR/LNA Multi-Media reports supply the bulk of information, including magazine and newspaper supplement data from Publishers Information Bureau, outdoor data from Institute of Outdoor Advertisers and Outdoor Advertisers Association of America, and network TV, spot TV, cable TV networks and network radio from Broadcast Advertisers Reports. Other major spending data and their sources include newspaper from Media Records (now part of LNA), spot radio from Radio Expenditure Reports, business publication from MMS-Rome Reports and farm publications from Agricultural Marketing Information Services (AGRICOM). Spending data are combined with unmeasured ad spending figures, which are AA estimates. Unmeasured ad spending includes couponing, direct mail and sales promotion, to name a few.

Top 10 newspaper advertisers

Rank	Advertiser	Newspaper expenditures			as % of co.'s '87 ad total
		1987	1986	% chg	
1	General Motors Corp.	\$174,889	\$146,430	19.4	17.1
2	Ford Motor Co.	100,690	76,136	32.3	15.7
3	Chrysler Corp.	70,166	42,203	66.3	12.3
4	Texas Air Corp.	67,287	63,417	6.1	54.1
5	Philip Morris Cos.	49,740	57,590	(13.6)	3.2
6	AMR Corp.	36,195	25,194	43.7	23.7
7	American Telephone & Telegraph	35,920	31,106	15.5	6.8
8	UAL Corp.	29,368	26,900	9.2	21.3
9	Daimler-Benz AG	28,415	23,340	21.7	27.1
10	Toyota Motor Corp.	28,409	22,878	24.2	11.0

Note: Dollars are in thousands. Source: Media Records.

Top 10 magazine advertisers

Rank	Advertiser	Magazine expenditures			as % of co.'s '87 ad total
		1987	1986	% chg	
1	Philip Morris Cos.	\$243,331	\$225,132	8.1	15.6
2	General Motors Corp.	153,985	129,409	19.0	15.0
3	Ford Motor Co.	125,491	125,161	0.3	19.6
4	RJR Nabisco	105,674	120,281	(12.1)	12.6
5	Chrysler Corp.	100,446	95,994	4.6	17.7
6	Procter & Gamble Co.	79,611	87,105	(8.6)	5.7
7	American Telephone & Telegraph	76,270	74,015	3.0	14.4
8	Unilever NV/PLC	58,259	47,297	23.2	10.0
9	Time Inc.	51,404	50,528	1.7	26.1
10	Grand Metropolitan PLC	50,696	48,707	4.1	21.9

Notes: Dollars are in thousands. Source: Publishers Information Bureau as reported by Leading National Advertisers.

Top 10 network TV advertisers

Rank	Advertiser	Network TV expenditures			as % of co.'s '87 ad total
		1987	1986	% chg	
1	Procter & Gamble Co.	\$377,552	\$447,436	(15.6)	27.2
2	Philip Morris Cos.	330,778	342,444	(3.4)	21.2
3	General Motors Corp.	272,953	233,786	16.8	26.6
4	Kellogg Co.	237,985	166,006	43.4	45.3
5	McDonald's Corp.	216,067	193,002	12.0	33.3
6	Unilever NV/PLC	211,923	202,361	4.7	36.5
7	RJR Nabisco	209,777	155,301	35.1	25.0
8	Anheuser-Busch Cos.	186,948	177,496	5.3	29.4
9	American Home Products Corp.	182,057	183,493	(0.8)	46.6
10	Johnson & Johnson	181,999	164,322	10.8	39.6

Note: Dollars are in thousands. Source: Broadcast Advertisers Reports.

Top 10 spot TV advertisers

Rank	Advertiser	Spot TV expenditures			as % of co.'s '87 ad total
		1987	1986	% chg	
1	PepsiCo Inc.	\$271,069	\$256,521	5.7	38.5
2	Procter & Gamble Co.	238,049	233,212	2.1	17.2
3	General Mills	137,028	127,099	7.8	23.9
4	McDonald's Corp.	129,010	128,180	0.6	19.9
5	Pillsbury Co.	118,776	125,218	(5.1)	25.1
6	Philip Morris Cos.	111,888	133,724	(16.3)	7.2
7	General Motors Corp.	103,522	49,201	110.4	10.1
8	Anheuser-Busch Cos.	83,767	97,999	(14.5)	13.2
9	Chrysler Corp.	82,836	87,309	(5.3)	14.6
10	Hyundai Group	76,487	46,144	65.8	46.5

Note: Dollars are in thousands. Source: Broadcast Advertisers Reports.

Top 10 spot radio advertisers

Rank	Advertiser	Spot radio expenditures			as % of co.'s '87 ad total
		1987	1986	% chg	
1	Anheuser-Busch Cos.	\$43,550	\$50,420	(13.6)	6.9
2	General Motors Corp.	34,829	35,153	(0.9)	3.4
3	Philip Morris Cos.	29,489	4,502	555.0	1.9
4	Sears, Roebuck & Co.	21,211	21,928	(3.3)	2.4
5	PepsiCo Inc.	19,786	22,342	(11.5)	2.8
6	Delta Air Lines	19,671	21,708	(9.4)	18.1
7	Southland Corp.	18,317	19,962	(8.2)	21.3
8	Chrysler Corp.	17,345	21,071	(17.7)	3.0
9	Pillsbury Co.	16,366	18,178	(10.0)	3.5
10	AMR Corp.	16,106	14,390	11.9	10.6

Notes: Dollars are in thousands. Source: Radio Expenditure Reports.

GM corporate ads climb over clutter

By SCOTT HUME

Despite the bemoaning of "commercial clutter," consumers can spot the new and the different.

In early November, General Motors Corp. began a new TV and print corporate campaign from N W Ayer, Detroit, themed "All of GM, going all out for you." Consumers noticed it.

Despite the billions of dollars spent on automobile advertising—including the \$1 billion GM alone spent last year on its Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac lines—a fairly quiet corporate message got through. GM tied for ninth (with Chevrolet, no less) on the November adWatch ranking of best-recalled advertising.

This was the GM name's first appearance this year among the top 10.

Appropriately, November was the second consecutive month in which political advertising was the best recalled.

The effectiveness of GM's corporate campaign also showed up when the 1,000 adults surveyed were asked which car or truck advertising first came to mind. GM placed fifth, with 4.1% of first responses, trailing No. 1 Ford (24.4%), Chevrolet (18.5%), Toyota (6.3%) and Oldsmobile (4.3%).

Oldsmobile's showing also is worth noting. During Summer Olympics broadcasts in September, Oldsmobile broke a new campaign—themed "The new generation of Oldsmobile"—that tries to make the line more appealing to younger drivers (AA, Sept. 12). Celebrities who appear with their children in the spots include Priscilla Presley, Frankie Avalon and William Shatner.

Oldsmobile's appearance in the No. 4 slot in the car category is the first time it's ever cracked the top five. And it narrowly missed a doubly impressive debut by ranking No. 12 in overall top-of-mind recall.

Executives at Oldsmobile and agency Leo Burnett USA, Chicago, will be interested to learn that the advertising has indeed scored well with young people. Among adWatch respondents ages 25 to 34, top-of-mind awareness of Oldsmobile advertising was higher than for category leader Ford.

AdWatch is a joint project of AD-

VERTISING AGE and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind, both overall and in specific product categories. The phone survey has a margin of error of 3.1%.

Among other significant changes in the November survey:

• In September's survey, Apple Computer and IBM Corp. were neck and neck in the **computers** category; in October, Apple's awareness score moved ahead again. Last month, Apple pulled away with a

AdWatch survey of advertising awareness Top 10 in November

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank	1988	Advertiser	Agency
1	1	Political ads	Various
2	8	California raisins	Foote, Cone & Belding
3	6	Coca-Cola	McCann-Erickson
4	2	McDonald's	Leo Burnett USA
5	4	Miller	Recker Spitzvogel Weiss/L. Walter Thompson USA
6	4*	Pepsi-Cola	BBDO Worldwide
7	3	Budweiser/Bud Light	D'Arny Messer Benton & Bowles/DOB Needham
7*	9	Ford	J. Walter Thompson
9	7	Chevrolet	Lincoln-Campbell-Ewald
9*	—	General Motors	N W Ayer

* Includes a tie

4.4 percentage-point gain, garnering 38.5% of first mentions. IBM dropped 5.3 points to a 21.4% share of first mentions.

Radio Shack was third with a 3% share.

• McDonald's Corp. in October became the first advertiser to get more than 50% of first mentions in a category with a 51.7% share in the **fast-food** category. Last month, it

slipped back under the midpoint with a 49.2% share.

Burger King Corp. remained second with 12.8%; Hardee's Food Systems and Wendy's International tied for third with 5.6%.

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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NATIONAL WEEKLY EDITION

The Washington Post

DATA SOURCE: Erdos & Morgan, 1988

Reebok

(Continued from Page 3)

quick success, "U.B.U." may not be back. But another said that "when the company needs to make a fashion statement again, 'U.B.U.' will be back."

That may not be any time soon.

Reebok built its market share largely because of its fashion appeal, which made it popular with athletic people as well as fitness buffs. But in the current athletic-shoe market, which emphasizes performance, a focus on style alone won't keep Reebok on top.

Nike's gains this year have been attributed to its continued emphasis on serious fitness with campaigns from Wieden & Kennedy, Portland, Ore.

Earlier this year, Reebok had hoped to anchor its performance message around Los Angeles Clipper Danny Manning. But after a delay in his signing with the team and the U.S. basketball team's less than stellar performance at the Summer Olympics, that plan was put on hold.

Instead, Reebok plans to use Mr. Manning and his father, former Chicago Bull Ed Manning, as part of its Legends campaign, but no spots featuring the Mannings have been shot yet, sources said.

And while Reebok is sharpening its advertising focus, it's also lining up new-product introductions for 1989, among them a performance line of shoes and "body shaping" shoes, a new type of aerobic shoe. #

Advertising Age

Crain's International Newspaper of Marketing

ADMAN OF THE YEAR

Michael Eisner

Energetic chief executive keeps ideas flowing at Disney

By WAYNE WALLEY

Michael Eisner, who was brought in to reanimate Walt Disney Co. and has since engineered one of the most dramatic corporate turnarounds in Hollywood history, is *Advertising Age's* Adman of the Year for 1988.

But the modest 46-year-old downplays his role in bringing the entertainment company back into prominence. He likens his job as chairman-CEO to that of a cheerleader, albeit a well-paid one.

"We have fantastic products in all sorts of different areas and we have extremely capable advertising and marketing people," he said. "I just watch this unbelievable operation."

"I spend most of my time having one guy in one piece of our company call the other guy. The ideas are always there.

It's a matter of recognizing them in the air, flicking them out like a fly and then executing them."

Whatever it is Mr. Eisner does, he's done it well, resurrecting the dreams of Walt Disney and tossing in a few of his own fantasies while building a \$3.4 billion entertainment powerhouse. He's nearly tripled company revenues during his four-year tenure, while adding seven-figure bonuses and lucrative stock options to his reported \$750,000 annual salary.

Name a segment of the entertainment business today and Disney likely is one of its leaders.

Even Roy E. Disney, vice chairman of the board and nephew of the company founder, has been impressed with Mr. Eisner and his new staff—and the energy they've infused into others who may have become stagnant in the two decades fol-

lowing Walt Disney's death in 1966.

"We've become an idea company again," Mr. Disney said recently.

Those outside the company say Mr. Eisner's arrival—and his magnet, which drew a score of executives to Disney—was the company's turning point. But Mr. Eisner believes the corporate battle for control before he was hired actually set the stage for the famed animation house's renaissance.

The time was 1984. The studio's movie division had produced a string of expensive duds. "The Wonderful World of Disney," the company's flagship TV series, was canceled. Company stock dropped in price. Corporate raiders circled and, when the dust cleared, Texas' Bass Brothers Enterprises had control.

With that change, Ron Miller, Walt Dis-

(Continued on Page 23)



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Walt Disney Co. chairman-CEO Michael Eisner with two of his most famous "products," Minnie and Mickey Mouse.

Troubled Yugo eyeing new ad agency?—P. 2

Della Femina, Grey land Pan Am—P. 3

Holiday shopping loses luster—P. 4

Church's chief outlines his strategy—P. 28

Yugo's woes could foretell shop review

By RAYMOND SERAFIN

Global Motors, beset by inner turmoil and in search of new investors, may also be searching for a new agency for its Yugo import car.

Advertising for the Yugoslavian-built car has been sharply curtailed, as sales have fallen steeply, leading to questions about the viability of the franchise. Mabon, Nugent & Co., a New York investment company, bought out entrepreneur Malcolm Bricklin's 70% stake in Global Motors in April for \$40 million.

Paul Lambert, president of Yugo agency Lambert/Dale, New York, said Global Motors owes "millions of dollars" on bills run up with TV networks, syndicators, publications and vendors.

"[Global Motors], as well as Mabon Nugent, has not lived up to its payment schedule," Mr. Lambert said. "There is a problem with any future broadcast placement due to delinquent bills."

About delinquent bills, a Global Motors official said, "No comment." Network executives couldn't be reached for comment.

But in an earlier interview, company officials were upbeat. Yugo has cut ad spending because it's "saving its ammunition" for two major product launches, said Anthony Ciminera, exec VP in charge of public relations and product planning at the Yugo America subsidiary of Global Motors. The first launch will be for a "dramatically upgraded" version of the company's base car going on sale in the spring, he said.

Mr. Ciminera said Lambert/Dale remains agency of record, but said some new investors may soon come on board and "they should have some voice in the decision on who should handle the advertising for 1989."

Automotive News reported that one possible new investor is Zavodi Crvena Zastava, parent company of the Yugoslavian car's builder.

Lambert/Dale's most recent ads had positioned the Yugo as "the toughest, most dependable cars a little money can buy," an attempt to overcome the negative media reports that followed the car's arrival with a \$3,990 price tag in 1985.

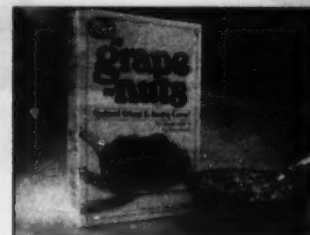
Yugo officials had talked of doubling their ad budget to \$48 million in 1988, but that never materialized. Measured media spending was \$12.5 million in the first half of 1988, according to Leading National Advertisers.

In addition to cutting back ad spending, Yugo has pulled out of upcoming auto shows in Detroit, Washington and Chicago, citing unavailability of new-product prototypes and staff shortages.

Recently, William Prior, president of Global Motors, was ousted from the company, and 71 other employees at headquarters in Upper Saddle River, N.J., were laid off in a cost-cutting move. #



General Foods tries to hitch a ride on oat bran's popularity by promoting Grape-Nuts as a mix-in to oatmeal.



Riding oat craze

GF touts Grape-Nuts for hot cereals

By JUDANN DAGNOLI

General Foods Corp. hopes to capitalize on the growing popularity of oat bran and oat cereals with a \$5 million effort promoting Post Grape-Nuts cereal as a mix-in for hot oatmeal.

The campaign will run during the first quarter of the year, which accounts for 40% of yearly hot cereal consumption.

If the effort is successful, General Foods will make the approach central to the brand's advertising in 1989. The marketer spends about \$20 million on Grape-Nuts advertising annually.

Created by Grey Advertising, New York, the network TV spot urges consumers to "ooooooooooh up" their oatmeal by adding "the crunchy, nutty taste" of Grape-Nuts. It shows a plain bowl of oatmeal turning bright red and revving up like a car when Grape-Nuts, made of wheat and barley, is added.

The bowl then zooms away and stops with a screech before a box of the cereal.

"People eat oatmeal because they know it's good for them," said Carolyn Carter, senior VP-management supervisor on the General Foods account at Grey. "But most people say it's dull and boring or that it tastes like wallpaper paste."

The new Grape-Nuts effort features Peggy Smithheart, the female half of the bantering Grape-Nuts team that's been promoting the cereal since mid-1986.

General Foods' Post division has no entry in the hot cereal category, where sales grew about 24% in 1987 to \$606 million, and are still climbing.

Helped by ad spending of almost

"People eat oatmeal because they know it's good for them. But most people say it's dull and boring or that it tastes like wallpaper paste."

\$100 million from Quaker Oats Co. and General Mills (AA, Aug. 15), oat bran has benefited from reports that the substance may lower cholesterol and decrease blood pressure.

Cold cereals have also benefited from oat bran's popularity, with entries such as Kellogg Co.'s Cracklin' Oat Bran and Common Sense Oat Bran; Quaker Oat Squares; General Mills' Oatmeal Raisin Crisp; and

General Foods' Post Oat Flakes.

Oat cereals in August accounted for 6.4% of the \$5 billion ready-to-eat cereal category, up about 8% from August 1987.

"There are already four to six new oat bran facings in stores," said Ms. Carter, who predicted two or three more entries in 1989.

Ms. Carter declined to give sales figures but said that Post Oat Flakes, an old brand that was reintroduced in late November, "is wildly beyond our sales projections."

Oat Flakes may also help General Foods' position in the category, where the 12.2% market share for its Post division limps behind Kellogg's 42% and General Mills' 20.5%.

General Foods' share is up slightly from 1987, but the company has lagged in new-product introductions in the hotly competitive category.

Grape-Nuts held a 1.8% share of the ready-to-eat category in 1987, about even with more healthful entries such as Kellogg's Nutri-Grain, said John Maxwell, Wheat First Securities analyst.

Creative credits for the campaign at Grey go to Hy Rosen and Tony Pugliese, senior VPs-creative directors; Kate O'Hair, art director; Julia Hopkins, copywriter; and Steve Novick, exec VPs-director, broadcast production. #

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Toothbrush, floss unveiled

J&J polishes up new push at kids

By LAURIE FREEMAN

Johnson & Johnson's Dental Care Co., hoping New Year's resolutions include daily toothbrushing and flossing, this month introduces two oral-care products for children.

An estimated \$6 million consumer and professional ad budget backs the launch of Prevent JR tooth and gum brush, a child-size version of its Prevent adult toothbrush, and Johnson & Johnson Dental Floss for Kids, targeted to children 12 and younger.

"There are 23 million kids in the 6-to-12 ad bracket," said Bill Berry, Prevent product director-professional business. "We hope that if we get them started early enough, we can maintain brand loyalty [to J&J's oral-care line] as they get older."

Prevent JR will be positioned as being ideal for teaching kids under age 12 the 45-degree brushing technique most recommended by dentists. J&J expects the product will slightly increase Prevent toothbrush's market share.

Prevent, introduced in 1988, has almost a 3% share of the \$250 mil-

lion brush segment. That's far behind leaders Oral-B, from Gillette Co., and J&J's Reach, each of which has about a 23% share.

Dental Floss for Kids is pink and has a bubble gum flavor. The waxed floss is the latest addition to J&J's floss line, which already dominates the \$57 million segment.

Mr. Berry said ads emphasizing proper flossing and brushing techniques will break in February.

J&J is backing the introduction with a network TV and print campaign, extensive professional advertising, a direct-mail and sampling program, and couponing.

Lowe Marshalk, New York, is handling consumer advertising for Prevent and J&J's dental floss line. Gross Townsend Frank Hoffman is Prevent's professional ad agency; KPR Infor/Media is handling professional advertising of Dental Floss For Kids.

Kids-only products are the fastest-growing segment of the \$1.5 billion oral-care category. By the end of 1988, every major toothpaste marketer had launched a kids-only toothpaste variety. #

How Della Femina won Pan Am

By JON LAFAYETTE

NEW YORK—Della Femina, McNamee/WCRS, after merging its way into the top 20 U.S. agencies last year, has put itself firmly into the big leagues by landing Pan American World Airways' \$55 million account over formidable competition.

"This is what the merger was all about," said agency founder Jerry Della Femina after his shop's biggest-ever win last week. "It's made us one of the agencies to be reckoned with."

Both Della Femina and Grey Advertising, which was awarded the \$10 million Pan Am shuttle account, said creative work, and lots of it,

did the trick. And some of the speculative work had to be done on short notice, with assignments coming in to the agencies via facsimile machines to simulate the quick turnaround often required by the airline industry.

Both accounts previously had been handled by Wells, Rich, Greene, which resigned the business rather than participate in the review (AA, Oct. 31).

Agency compensation, generally low for airline accounts, wasn't a factor, despite rumors that Pan Am intended to pay its agencies somewhere in the 9% range, sources said. Della Femina hasn't arrived at a compensation agreement; Grey said



J. Della Femina

it has reached a "fair" arrangement with the airline.

Neither Della Femina nor Grey could say when they will be able to get new campaigns up and running because the company's management is preoccupied with the aftermath of the Dec. 21 crash of a Pan Am jet in Scotland.

Pan Am selected Della Femina over Ogilvy & Mather and D'Arcy Masius Benton & Bowles. It chose

Grey in a review that also included the Bloom Agency, Ketchum/Hicks & Greist and Lord, Geller, Federico, Einstein. Ogilvy and Lord Geller were the finalists in their respective fields.

"We showed them a lot of advertising," said Edward Tedeschi, general manager of Della Femina, adding that "culturally we were very different from Ogilvy or D'Arcy. That was good."

"Our strategy was [to win the account] with ideas, not an organization chart. We didn't say, 'We're a big agency. We can do the job. Trust us.' We gave them a lot of different campaigns. We felt they hadn't seen a lot of stuff from Wells."

Grey Senior VP Robert Ravitz, who will head the agency team on the Pan Am shuttle account, said Grey's pitch also offered a number of campaigns.

"We must have presented eight different creative ideas," Mr. Ravitz said. The ideas represented "a range of responses to the current environment and the anticipated Trump environment." Real estate mogul Donald Trump has agreed to buy rival Eastern Air Lines' Air Shuttle.

Some of Pan Am's simulated assignments, sent via Della Femina's fax machines, ruined a few weekends. But the agency said the last-minute assignments, which involved

(Continued on Page 28)

Last Minute News

Braniff flies with McKinney

DALLAS—Braniff named McKinney & Silver, Raleigh, N.C., to succeed Saunders, Lubinski & White on its \$16 million account. McKinney has handled Piedmont Airlines, which is merging into USAir. USAir is handled by Earle Palmer Brown Cos., Bethesda, Md. Braniff represented half of Saunders' billings, 18 of the shop's 43 staffers were laid off last week.

Lipton moves \$10 million to Y&R

ENGLEWOOD CLIFFS, N.J.—Thomas J. Lipton Inc. moved about \$10 million in spending to Young & Rubicam, New York, sources said. Y&R picks up side dishes previously handled by Bozell, Jacobs, Kenyon & Eckhardt, New York, and Wish-Bone salad dressing. Wish-Bone's last agency was FCB/Leber Katz Partners, New York. Earlier, Lipton moved dry soups to Lintas New York from Y&R (AA, Dec. 26). Sources said Lipton was also re-evaluating its agency compensation system. Lipton executives didn't return phone calls.

AT&T launches product effort

NEW YORK—AT&T this week breaks the first of several network TV spots in a major new consumer campaign promoting its varied line of products. (Continued on Page 8)

"World News Roundup" will return next week.

Bayer shifts tactics

By PATRICIA WINTERS

Aspirin marketers are once again emphasizing pain relief in their ads, as an expected sales boost from publicity on heart-attack prevention failed to materialize.

Sterling Drug's Bayer, a name synonymous with aspirin, has launched new ads that stress its general pain relief benefits.

Although Sterling, a unit of Eastman Kodak Co., never abandoned pain relief, in recent years it had advertised heavily that aspirin could help prevent second heart attacks.

Many industry executives expected aspirin to benefit greatly from the much-publicized study last winter showing that men who used aspirin regularly could reduce the (Continued on Page 30)

ASPIRIN FEELS SOME PAIN

Aspirin sales sluggish after efforts to target heart patients failed to attract expected gains. Figures represent millions of units sold.



Source: Nielsen Marketing Research

JOHN HALL



An antenna shop gathered feedback on other applications for a traditional cloth used for wrapping gifts.

Putting out feelers

Japanese 'antenna shops' aid research

By DAVID KILBURN

TOKYO—Japanese marketers, always looking for new ideas, have come up with a creative solution to supplement traditional new-product research.

Rather than hiring a research company to send white-coated workers out to stores to ask questions, several big-name Japanese marketers are opening their own stores to learn what consumers think about new-product ideas.

Companies like Sony Corp., Nissan Motor Co., Fuji Film, Shiseido and Kao Corp. have opened such stores, called "antenna shops" because they, figuratively speaking, "broadcast" ideas to consumers.

Matsushita Electric Industrial Co.'s antenna, called Works, is filled with audio-visual gear and electrical appliances. Unlike most antenna stores, nothing is sold in this one. Instead, product ideas are discussed with customers.

So far, this antenna has helped develop Musica, a telephone with a built-in answering machine and alarm clock, marketed under the Panasonic name.

Musica, which costs about \$300, also is built so that a personal portable stereo can be plugged into it, allowing music to enhance phone conversations.

Matsushita is also collecting information on its concept for a 21st century living room, which could (Continued on Page 25)

Toyota teases with first Lexus consumer ads

By CLEVELAND HORTON

Like a timed road rally, Toyota Motor Sales USA's Lexus division plans to pace its ads leading to the sales introduction of its luxury cars next fall.

"It's much like a striptease," said David Waggoner, president of Saatchi & Saatchi Team One, Torrance, Calif., Lexus' agency. "We don't want so much exposure that when we introduce [the cars] it becomes a ho-hum thing."

The first consumer ads for Lexus will break Jan. 6 in conjunction with the Detroit and Los Angeles auto shows, if a trademark lawsuit challenging the division's name is settled in time (AA, Dec. 19).

In the initial ads, Lexus will show only small portions of its two new cars, such as a close-up of a fender.

"This look makes the car appear like a piece of art," Mr. Waggoner said. "It's a clear, uncluttered, upscale look."

The message is intentionally brief. "We don't want to talk about the phenomenally smooth ride, for example, nine months before the cars are driveable," said Scott Gilbert, S&S Team One senior VP-management supervisor.

The first ads will run nationally

as spreads in *The Wall Street Journal* and *USA Today* and locally as page ads in the *Los Angeles Times* and *Detroit Free Press*. All the ads will carry the headline: "See a car ahead of its time. Ahead of its time."

The copy begins: "The much-anticipated official world debut of the automobiles known as Lexus won't take place in showrooms until September 1989. But you can see one much sooner. Because today, and over the next few months, Lexus will be unveiled at auto shows in 11 cities across the U.S."

Lexus will place newspaper ads in conjunction with each of the auto shows.

Beginning in early spring, Lexus plans to run a series of ads highlighting the technology and design of the vehicles in most of the automotive buff books.

Consumers can call a toll-free number to get an eight-page brochure on the cars. The brochure says Toyota approached the design of the Lexus vehicles as a blank piece of paper, allowing designers to create "a new class of car." Unlike the ads, the brochure offers sketches of the top-of-the-line LS400 sedan and the smaller ES250.

Lexus and its agency are working (Continued on Page 26)